



RECEIVED

January 11, 2002

JAN 14 2002

Ms. Lisha Cordova
State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

DIVISION OF
OIL, GAS AND MINING

Re: Application for Permit to Drill
Prickly Pear and Jack's Canyon Unit Area
Carbon County, Utah

Dear Ms. Cordova:

Enclosed in duplicate please find seven (7) Applications for Permit to Drill for the below listed wells to be located on BLM administered surface and minerals:

<u>Well Name</u>	<u>Legal Description</u>	<u>Footage</u>
Prickly Pear Unit #21-2	T12S-R15E; Sec. 21: SWNW	1620 FNL, 1247 FWL
Prickly Pear Unit #10-4	T12S-R14E; Sec. 10: SESE	75 FSL, 271 FEL
Prickly Pear Unit #27-3	T12S-R15E; Sec. 27: NWSW	1685 FSL, 691 FWL
Prickly Pear Unit #1215-11-2	T12S-R15E; Sec. 11: SENW	1424 FNL, 2083 FWL
(bottom hole location #1215-11-2)	Sec. 11: NESW	1980 FSL, 1980 FWL
Prickly Pear #13-4	T12S-R14E; Sec. 13: SE/4	1320 FSL, 1347 FEL
Jack's Canyon Unit #19-2	T12S-R16E; Sec. 19: SENW	1942 FNL, 1619 FWL
Jack's Canyon Unit #18-3	T12S-R16E; Sec. 18: NWSW	1557 FSL, 1308 FWL

Please do not hesitate to contact me if you should have any questions regarding this matter.

R. Heggie Wilson, Agent
Wasatch Oil & Gas

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.

U-013064

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒ DEEPEN ☐

1b. TYPE OF WELL

OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☒

7. UNIT AGREEMENT NAME

Prickly Pear

8. FARM OR LEASE NAME

Prickly Pear

2. NAME OF OPERATOR

Wasatch Oil & Gas, LLC

9. WELL NO.

#1215-11-2

3. ADDRESS OF OPERATOR

P.O. Box 699, Farmington, UT. 84025-0699 Phone # (801)451-9200

10. FIELD AND POOL OR WILDCAT

Prickly Pear Nine Mile Canyon Field

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements*)

At Surface **1,424' fml & 2,083' fwl (SE/4 NW/4) 4404737N 568025E**At proposed Prod. Zone **1,980' fsl & 1,980' fwl (NE/4 SW/4) U-01519B****4404162N 567994E**

11. SEC., T., R., M., OR BLK.

AND SURVEY OR AREA

Sec.11-T12S-R15E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

34 miles south of Myton, Utah

12. COUNTY OR PARISH

Carbon

13. STATE

UT.15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY
OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)**660 south of lease line**

16. NO. OF ACRES IN LEASE

240

17. NO. OF ACRES ASSIGNED TO THIS WELL

16018. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL,
DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.**n/a**

19. PROPOSED DEPTH

6,954' TVD 7,362' MD

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5,604' GR

22. APPROX. DATE WORK WILL START*

5/1/02

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8- 5/8"	32#	700'	300 sxs "G" & "Lite"
7-7/8"	4-1/2"	11.6#	7,362'	550 sxs 50/50 Poz

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OIL, GAS AND MINING

Operations hereunder will be conducted pursuant to a statewide bond filed with the Utah State Office of BLM, under UT-1128, Surety Bond No. B7998

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone.

If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *See new cover rec'd 4-2-02* TITLE **Agent** DATE **1/7/02**

(This space for Federal or State office use)

PERMIT NO.

43-007-30824

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

DATE

***See Instructions On Reverse Side**

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SCALE 1" = 1000'	DATE SURVEYED: 10-25-01	DATE DRAWN: 11-05-01
PARTY B.B. W.L. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE WASATCH OIL & GAS LLC.	

Wasatch Oil & Gas, LLC
Lease # U-013064(surface), U01519-B (bottomhole)
Prickly Pear Unit #1215-11-2
SENW(surface), Section 27-T12S-R15E
Carbon County, Utah

<i>Surface Use & Operations Plan</i>

1. EXISTING ROADS – Refer to Exhibit Topo Maps “A” and “B”.

- A. The proposed wellsite has been surveyed to memorialize the existing well pad (see Location Layout Plat)
- B. From Duchesne, Utah; proceed at mile marker 104.8 on US Highway 40 south on County Rd. 5550 West 1.6 miles, turn right (southwest) on County Rd. 9450 So. and proceed towards Nine Mile Canyon via Gate Canyon 29.7 miles.

From the junction of Gate and Nine Mile Canyon proceed East down County maintained Nine Mile Canyon road 3.0 miles to access road.
- C. Access roads refer to Exhibit Topo Maps “A” and “B”.
- D. Access roads within a one (1) mile radius, none – refer to Exhibit Topo Maps “A” and “B”.
- E. The existing roads will be maintained in the same or better condition as existed prior to the commencement of operation and said maintenance will continue until final abandonment and reclamation of said well location.

2. PLANNED ACCESS ROADS – Refer to Map Exhibits “A” and “B”

Access to the Prickly Pear Unit # 1215-11-2 will be on existing roads.

- A. Width – The current approximate width is an eighteen (18) foot running surface. This road is current adequate for the proposed operations.
- B. Construction Standard – Any road improvements will be conducted in accordance with roading guidelines established for oil & gas exploration and development activities as referenced in the joint BLM/USFS publication: *Surface Operating Standards for Oil and Gas Exploration and Development*, Third Edition and/or BLM Manual Section 9113 concerning road construction activities on public domain lands.
- C. Maximum grade – The maximum grade is under 8%.
- D. Turnouts – Several turnouts exist on the existing road and no new turnouts are anticipated.

- E. Drainage design – The existing road shall be maintained to provide proper drainage along the road.
- F. Culverts and low water crossings – No Culverts are anticipated.
- G. Surface material – It is anticipated that no additional surface material will be required for drilling and production operations. Should spot graveling be required during drilling operations, gravel would be obtained from the nearest commercial site.
- H. Gates, cattleguards or fence cuts: No Fence cuts or cattleguards will be required along the proposed existing route. All gates will be maintained during operations.
- I. Road maintenance – During both the drilling and production phase of operations, the road surface will be kept in a safe and useable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing, and will also be maintained in accordance with the original construction standards. The access road will be kept free and clear of

3. LOCATION OF EXISTING WELL WITHIN A ONE-MILE RADIUS

A.	Water wells	none
B.	Abandoned wells	none
C.	Temporarily abandoned wells	none
D.	Disposal wells	none
E.	Proposed wells	none
F.	Shut-in wells	none
G.	Producing	Hunt Ranch #3-4 SE/4, Sec. 3: T12S-R15E Gov't Pickrell #1 NW/4, Sec. 11: T12S-R15E

4. LOCATION OF PROPOSED FACILITIES

- A. All production facilities will be located on the disturbed portion of the well pad and at a minimum from of twenty-five (25) feet from the toe of the back slope or top of the fill slope.
- B. Production facilities will be located on the drillsite location. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via Sundry Notice (Form #3160-5) will be submitted upon completion and installation of facilities. All site security guidelines identified in 43CFR 3162.7-5 and *Onshore Oil And Gas Order No. 3* shall be followed.
- C. An existing pipeline for gas gathering is in place (ROW Grant U-34418) and is utilized by existing wells in the area. If the subject well is deemed commercial, approximately 100 feet of new gathering line will be constructed to connect with the existing facility and laid adjacent to existing travel corridors.
- D. All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, non-reflective color to match the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within six months of installation. Facilities required by OSHA may be excluded. Colors will be painted desert brown (Munsell standard color #10 YR 6/3).
- E. If a gas meter run is constructed, it will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream until it leaves the pad. The meter run will be housed. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR 3162. 7-3, *Onshore Oil and Gas Order No. 5*, and the American Gas Association (AGA) Report No. 3.
- F. If a tank battery is constructed on the lease, it will be surrounded by a berm of sufficient capacity to contain 1 1/2 times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurements shall conform to provisions of 43 CFR 3162. 7-3 and *Onshore Oil and Gas Order No. 4*.
- G. Production facilities on location may include a lined or unlined water pit as specified in *Onshore Oil and Gas Order No. 7*. If water is produced from the well, an application in conformance with Order No. 7 must be submitted. Any pit will be fenced with barbwire held in place by metal side post and wooden corner "H" braces in order to protect livestock and wildlife.
- H. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road, drill pad and any additional area specified in the approved Application for Permit to Drill (APD).

- I. Reclamation of disturbed areas no longer needed for operations will be accomplished by grading, leveling and seeding as recommended by the BLM.

5. LOCATION AND TYPE OF WATER SUPPLY

- A. Wasatch Oil & Gas will utilize an existing water well located on State lands in the Section 32, Township 12 South, Range 16 East. Wasatch has been granted this authorization by STILA Right of Entry 4366.
- B. No water well will be drilled.

6. SOURCE OF CONSTRUCTION MATERIALS

- A. It is not anticipated that any construction materials (gravel) will be required during construction or operations. If required, a private contractor (or surface owner) having a previously approved source within the general area will be used.
- B. No construction material will be taken from Federal lands. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2-3.

7. METHODS OF HANDLING WASTE MATERIALS

- A. Cuttings - The drill cuttings will be deposited in the reserve pit.
- B. Drilling fluids – All fluids including chemicals will be contained in the reserve pit. The reserve pit will be designed to prevent the collection of surface runoff and will be constructed with a minimum of one-half (1/2) total depth below the original ground level and at the lowest point within the pit. Prior to backfilling the reserve pit liquids will be disposed in an approved facility and the contents will be allowed to dry. The disturbed portion of the pad will be reclaimed. A 9-mil synthetic pit liner is proposed.
- C. Produced fluids – Liquid hydrocarbons that may be produced during completion operations will be placed in test tanks on the location. Produced water will be placed in the reserve pit for a period not to exceed ninety days after initial production.

During this ninety (90) day period, in accordance with *Onshore Oil and Gas Order Number 7*, an application for approval of a permanent disposal method and location, along with required water analysis, shall be submitted to the Authorized Officer for approval.

Any spills of oil, gas, salt water or any other potentially hazardous substances will be cleaned up and immediately removed to an approved disposal site.

- D. Sewage – Portable, self-contained chemical toilets will be provided for human waste disposal. Upon completion of operations, or as required, these toilets will be removed and the contents thereof disposed of in an approved sewage disposal facility.
- E. Garbage and other waste material – All garbage and non-flammable waste materials will be contained in a dumpster or trash cage. Upon completion of operations, or as needed, the accumulated trash will be hauled off-site to an approved sanitary landfill. No trash will be placed in the reserve pit during any operations pertaining to this well.
- F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No potentially adverse materials or substances will be left on location.
- G. Any open pits will be fenced during the drilling operation and said fencing will be maintained until such time as the pits have been backfilled.

8. ANCILLARY FACILITIES

None anticipated.

9. WELLSITE LAYOUT

- A. Attached hereto as figure # 1 is a diagram showing the proposed location layout. No permanent living facilities are planned. There will be approximately three (3) trailers on location during drilling operations: one each for the wellsite supervisor, geologist and toolpusher.
- B. Topsoil will be stock piled on the West and East of the drillpad. Brush and trees will also be stock piled on the Northwest corner of pad and will be used in the site reclamation process. Erosion ditches will be created along the side of the drill pad to control runoff from the drill pad. (see figure #1)
- C. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via *Sundry Notice* (form #3160-5) for approval (see # 4B).
- D. Prior to commencement of drilling operations, the reserve pit will be fenced on three (3) sides with four strand barbed wire held in place by metal side post and wooden corner "H" braces in order to protect livestock and wildlife.
 - 1. Corner post shall be braced in such a manner to keep the fence tight at all times.

2. Standard steel, wood or pipe post shall be used between the corner braces. The maximum distance between any two (2) posts shall be no greater than sixteen (16) feet.
 3. All wire shall be stretched, by using a stretching devise, before it is attached to the corner posts.
 4. The fourth (4th) side of the reserve pit will be fenced immediately upon removal of the drilling rig and the fencing will be maintained until the pit is backfilled.
- E. Any Hydrocarbons on the pit will be removed immediately.
- F. Flare pit will be a minimum of 100 feet from the wellhead and 30 feet from the reserve pit when applicable. The flare pit will be on laydown side of pad or on the down wind side.

10. PLANS FOR RECLAMATION OF THE SURFACE

Producing

- A. Any rat and mouse holes will be backfilled and compacted from to top immediately upon release of the completion rig from the location. The location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.
- B. Any oil located on the pits will be removed immediately in accordance with 43 CFR 3162.7-1.
- C. Backfilling, leveling and re-contouring are planned as soon as possible after cessation of drilling and completion operations. Waste and spoil materials will be disposed of immediately upon cessation of drilling and completion activities.

Fluids from the reserve pit shall be removed. The liner shall be torn and perorated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within six (6) months from the date of well completion. Before any dirt work takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc., shall be removed.

The BLM surface management agency will be contacted for required seed mixture.

Dry Hole/Abandoned Location

1. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and the BLM will attach the appropriate surface rehabilitation conditions of approval.

11. SURFACE OWNERSHIP

Bureau of Land Management
Price Field Office
125 South 600 West
Price, UT 84501
(435) 636-3600

12. OTHER INFORMATION

A. Proximity of Water, Occupied Dwellings, Archaeologist, Historical or Cultural Sites:

1. There are no known, occupied dwellings within one (1) mile of the location.
2. There are no known water wells within one (1) mile of location.
3. An archaeological survey will performed over the proposed location and newly planned access road. This report will be submitted to the BLM and the State Historical Office

Wasatch Oil & Gas, LLC will be responsible for informing all persons in the area who are associated with the project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. If historic or archaeological materials are uncovered, Wasatch will suspend all operations that might further disturb such materials and immediately contact the Authorized Officer (AO). Operations are not to resume until written authorization to proceed is issued by the AO. Within five (5) working days the AO will inform the operator as to:

- A. whether the materials appear eligible for the National Register of Historic Places;
- B. the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- C. a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Reservation

Officer, that the findings of the AO are correct and that mitigation is appropriate.

- D. The operator will, control noxious weeds along right-of-way for roads, pipelines, wellsites or other applicable facilities. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- E. Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.

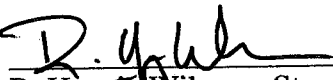
13. LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION

Wasatch Oil & Gas
P.O. Box 699
Farmington, UT 84025-0699
(801) 451-9200
Fax 451-9204
Attention: Todd Cusick

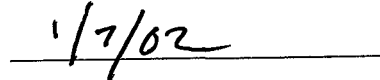
Stonegate Resources, LLC
4994 E. Meadows Dr.
Park City, UT 84098
(435) 647-9712
fax 647-9713
Attention: R. Heggie Wilson

Prepared by:

Date:



R. Heggie Wilson – Stonegate Resources, LLC.
Agent for Wasatch Oil & Gas



Certification

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, *Onshore Oil & Gas Orders*, the approved plan of operations, and any applicable *Notice to Lessees*.

Wasatch Oil & Gas will be fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished along with a fully approved APD along with any additional BLM conditions of approval will be furnish to the field representative(s) to ensure compliance.

The dirt contractor will be provided with a copy of the Surface Use Plan from the approved Application for Permit to Drill (APD).

I hereby certify that I, or persons under my direst supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan, are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Wasatch Oil & Gas their contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision 18 U.S.C. 1001 for filing a false statement.

1/7/02
Date

R. Heggie Wilson
R. Heggie Wilson
Agent, Wasatch Oil & Gas

Wasatch Oil & Gas LLC
Drilling Prognosis
Prickly Pear Unit #1215-11-2
SENE Sec. 11-T12S-R15E
Carbon County, Utah

November 20, 2001

General

NOTE: This well is to be drilled as a tight hole. Unauthorized personnel are not to be allowed on rig floor. All information is to be kept confidential.

Surface Location: 1,424' FNL and 2,083' FWL
SENE Sec. 11-T12S-R15E
Carbon County, Utah

Bottomhole Location: 1,980' FSL and 1,980' FWL
NESE Sec. 11-T12S-R15E
Carbon County, Utah

Proposed Total Depth: 6,954' TVD 7,362' MD

Elevation: 5,604' (Ground Level)

Drilling Contractor: Yet to be determined

Drilling Procedure

Location

- 1) Build location, dig and line reserve pit as per pad layout specifications.
- 2) Move in rathole driller. Drill 20" hole to 40'. Run 40' of 16" conductor casing and cement w/ ready mix to surface.
- 3) Drill rat hole and mouse hole.

Surface Hole

- 1) Move in and rig up drilling rig.
- 2) Drill a 12-1/4" surface hole to 700' Notify Price BLM as to surface casing / BOP pressure test.
- 3) Circulate and condition as required. Trip out of hole.
- 4) Run and cement 700' of 8-5/8", 32#, K-55, ST&C, 8rd casing as per cement recommendation. If cement returns to surface are not obtained, run 1" pipe in casing/hole annulus and top out w/ neat cement. Wait 8 hrs on cement.
- 5) Weld on 11" X 5,000 PSI flanged casing head.
- 6) Nipple up and pressure test BOPE and 8-5/8" casing.

Production Hole

- 1) Trip in hole w/ 7-7/8" bit. Drill out float collar and guide shoe.
- 2) Drill 7-7/8" production hole from base of surface casing to T.D.
- 3) Drillstem tests may be run in the Wasatch and Mesaverde (contingent on shows and/or drilling breaks)
- 4) Drilling samples will be caught every 20' from surface to 1,700'. Mudloggers will be on location and rigged up by 1,700'. 10' samples will be caught from 1,700' to T.D. or as directed by wellsite geologist.
- 5) Well will be directionally drilled to a depth of 6,954' TVD 7,362' MD

**Prickly Pear Unit #1215-11-2
Drilling Prognosis**

- 6) At T.D., condition hole for running openhole logs as per mud program.
- 7) Run openhole logs as per logging program.

Decision Point: Producing/Dryhole

Producing

- 1) Trip in hole w/ bit and drill string. Condition hole for running pipe. Trip out of hole laying down drill-pipe and collars.
- 2) Run and cement 4-1/2" production casing according to cement recommendation.

Dryhole

- 1) Notify BLM in Price and receive plugging orders. Trip in hole open ended and plug well as per BLM orders.
- 2) Release drilling rig. Reclaim location.

Estimated Tops of Geological Markers
(From Ungraded GL)

<u>Formation</u>	<u>Top</u>	<u>Sub Surface</u>
Green River	Surface	+5,604'
Wasatch	1,654' TVD	+3,950'
North Horn	3,604' TVD	+2,000'
Mesaverde	5,814' TVD	-210'

Estimated Depths of Anticipated Water, Oil, Gas or Mineral Formations
(From Ungraded GL)

<u>Formation</u>	<u>Top</u>	<u>Possible Formation Content</u>
North Horn	3,604'-5,814' TVD	gas
Mesaverde	5,814'-6,854' TVD	gas

Pressure Control Equipment

- 1) . Type: 11" X 5,000 psi WP, double-gate BOP and 11" X 5,000 psi WP annular BOP with hydraulic closing unit.

The blowout preventer will be equipped as follows:

- 1) One set of blind rams
- 2) One set of pipe rams
- 3) Drilling spool with two side outlet (choke side: 3" minimum and kill side 2" minimum)
- 4) Kill line: Two-inch minimum
- 5) Two kill line valves, one of which will be a check valve (2" minimum)
- 6) Choke line: Three-inch minimum.
- 7)

- 8) Two choke line valves: Three-inch minimum.
- 9) One manually operated choke: Three-inch minimum.
- 10) Pressure gauge on choke manifold.
- 11) Upper kelly cock with handle readily available.
- 12) Full opening internal blowout preventer or drill pipe safety valve able to fit all connections.
- 13) Fill-up line to be located above uppermost preventer.

2) PRESSURE RATING: 5,000 PSI

3) TESTING PROCEDURE

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the approved BOP stack. (if isolated from the surface casing by means of a test plug) or 70% of the internal yield strength of the surface casing (if not isolated from the surface casing by means of a test plug). Pressure will be maintained for a period of at least ten minutes or until requirements of the test are met, whichever is longer.

At a minimum, this pressure test will be performed:

- 1) When the BOP is initially installed
- 2) Whenever any seal subject to test is broken.
- 3) Following related repairs.
- 4) At thirty day intervals.

In addition to the above, the pipe rams will be activated daily, and the blind rams will be activated on each trip (but not more frequently than once each day). All BOP tests and drills will be recorded in the IADC Driller's Log (tour sheet)

5) CHOKE MANIFOLD EQUIPMENT:

All choke lines will be straight lines, unless turns use tee-blocks, or are targeted with running tees. These lines will be anchored to prevent whip and vibration.

6) ACCUMULATOR:

The accumulator will have sufficient capacity to close all rams (plus the annular preventer, if applicable) and maintain a minimum of 200 psi above the precharge pressure without the use of the closing-unit pumps. The fluid reservoir capacity will be double the accumulator capacity and the fluid level will be maintain at the manufacturer's recommendation. The BOP system will have two independent power sources to close preventers. Nitrogen bottles (three minimum) will be considered one of these sources and will maintain a charge equal to the manufacturer's specifications.

The accumulator precharge pressure test will be conducted prior to connecting the closing unit to the BOP stack and at least once every six months thereafter. The accumulator pressure will be corrected if the measured precharge pressure is found to be above or below the maximum or minimum limits as specified in *Onshore Oil and Gas Order Number 2*.

7) MISCELLANEAUS INFORMATION:

The blowout preventer and related pressure-control equipment will be installed, tested, and maintained in compliance with the specifications in and requirements of *Onshore Oil and Gas Order Number 2*. The choke manifold and BOP extension rods will be located outside the rig sub-structure.

Prickly Pear Unit #1215-11-2**Drilling Prognosis**

The hydraulic BOP closing unit will be located at least twenty-five feet from the wellhead, but will be readily accessible to the driller. Exact location and configuration of the hydraulic BOP closing unit will depend upon the particular drilling rig contracted to drill this hole.

Casing and Cementing Programs**1) PROPOSED CASING DESIGN**

<u>Size</u>	<u>Interval</u>	<u>Length</u>	<u>Description</u>	<u>SFt</u>	<u>SFc</u>	<u>SFb</u>
16" Conductor	0'-40'	40'	0.25" WT			
8-5/8"	0' - 700'	700'	32#, K-55, STC			
4-1/2"	0' - 7,362'	7,362'	11.6#, N-80, LTC			

A regular guide shoe and insert float will be run on the bottom and top of the first joint on casing. The guide shoe and float collar will be made up with A.P.I. thread locking compound. On 4-1/2" casing, a stop ring and centralizer will be run in the middle of the shoe joint. Centralizers will be ran 1 joint above float and across all potential pay zones.

NOTE: Casing strings will be pressure tested to 0.22 psi/ft of casing string depth, or 1,500 psi, whichever is greater (not to exceed 70 % of the internal yield strength of the casing) after cementing and prior to drilling out from under the casing shoe.

2) PROPOSED CEMENTING PROGRAM

<u>Casing / Hole Size</u>	<u>Cement Slurry</u>	<u>SX</u>	<u>PPG</u>	<u>Yield</u>
8-5/8" / 12-1/4"	Lead: B.J. Premuim Light w/ 2% CaCl ₂ & 0.25 PPS Flocele	170	12.0	2.27
	Tail: Class "G" w/ 2% CaCl ₂ & 0.25 PPS Flocele (100% excess)	130	15.8	1.17

Casing Equipment: 1 – Regular Guide Shoe
1 – Insert float collar

NOTE: Precede cement w/ 50 bbls of fresh water. Have 100 sx "neat" cement on location and 1" line pipe to pump a cement top job if cement is not circulated to surface and/or cement falls back. All waiting-on – cement times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

<u>Casing / Hole Size</u>	<u>Cement Slurry</u>	<u>SX</u>	<u>PPG</u>	<u>Yield</u>
4-1/2" / 7-7/8"	50/50 poz cement w/ 0.25 PPS Flocele (30% excess)	550	14.1	1.26

NOTE: A two stage cement job may be required if sands in the Wasatch are considered commercial.

Prickly Pear Unit #1215-11-2
Drilling Prognosis

Casing Equipment: 1 – Regular guide shoe
1 – Differential-fill float collar
10 – Centralizers (Casing will be centralized on shoe jt and across all potential pay zones)

NOTE: Precede cement with 50 bbls of fresh water. Run compatibility test on proposed cement with actual make-up water. Cement design and volumes may be altered depending on results of caliper log and presence of lost circulation zones.

Drilling Fluids Program

SURFACE HOLE: 0' – 700' HOLE SIZE: 12-1/4" 8-5/8" CASING

Spud well and drill to 700' with fresh water using additions of a flocculant and gel / lime / polymer sweeps as necessary for solids settling and good hole cleaning.

Recommend Fluid Properties: Weight 8.4 – 9.0 PPG
Viscosity 30-40 SEC / QT
Water Loss N.C.

PRODUCTION HOLE: 700' – 6,954' TVD HOLE SIZE: 7-7/8" 4-1/2" CASING
7,362' MD

Drill out surface casing cement with water discarding contaminated fluid into reserve pit. Mud up with low-solids, non-dispersed mud system. Keep trip speeds down to reduce surge/swab pressure. Keep hole full at all times. Monitor pit levels to detect loss circulation and gas kicks. Sweep hole as dictated by hole conditions and prior to running production casing. Keep drill string moving at all times. Have 100-200 PPM nitrates in mud system prior to drilling any potential pay zones that may be DST'd.

Recommended Fluid Properties: Weight 8.6 – 9.2 PPG
Viscosity 32-36 SEC / QT
Water Loss 10 – 15 CCS

Evaluation Program

OPENHOLE LOGGING: CNLD-GR, DIL-GR, DSI-GR, Microlog

DRILLSTEM TESTING: Potential test of any significant shows. Unless otherwise indicated, recommended DST times will be as follows: IF (15 min) ISI (60 min) FF (60 – 90 min, depending on blow at surface) and FSI (2 x FF). Keep length of anchor to a minimum while testing. Test string should include dual packers, top and bottom pressure recorders, jars, safety joint, sample camber, and reverse circulating sub (pressure and bar activated).

CORING: None anticipated.

STIMULATION: All prospective zones will be perforated, flow tested and evaluated to determine if acidizing and/or fracturing is required. The drill site will be of sufficient size to accommodate all completion operations.

Prickly Pear Unit #1215-11-2

Drilling Prognosis

The proposed Evaluation Program may change at the discretion of the well site drilling supervisor and geologist with the approval from the Authorizing Officer, Price BLM.

Two copies of all logs, core descriptions, core analyses, DST test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during drilling, workover, and/or completion operations will be filed on form #3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the District Manager, Price BLM.

Abnormal Conditions

No abnormal temperature or pressures are anticipated in the drilling of the Prickly Pear Unit #1215-11-2

Anticipated Starting Date and Miscellaneous

- | | | |
|-------------------------------|-----------------------|-------------|
| 1) ANTICIPATED STARTING DATE: | Location Construction | May 1, 2002 |
| | Spud Date | May 3, 2002 |
| | Drilling Days | 15 days |
| | Completion Days | 10 days |

3) MISCELLANEOUS

There will be no deviation from the proposed drilling and/or workover program as approved. Safe drilling and operating practices will be observed.

All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.6. There will be a sign or marker with the name of the operator, lease serial number, well name and number and survey description of the well.

Any changes in operation must have prior approval from the Authorized Officer (AO), Price Office, Bureau of Land Management. Pressure test will be performed before drilling out from under of all casing strings set and cemented in place. Blowout preventers controls will remain in use until the well is either completed or abandoned. Preventers will be inspected and operated at least daily to insure good mechanical working order, and inspection will be recorded on the daily drilling report. All BOP test will be recorded on the daily drilling report.

The spud date will be orally reported to the Price BLM Office forty-eight (48) hours after spudding. If spudding occurs on a weekend or holiday, this report will be called in on the next regular work day following spudding of the well.

In accordance with *Onshore Oil & Gas Order Number 1*, this well will be reported on MMS Form #3160-6, *Monthly Report of Operations and Production*, starting with the month in which operation commence and continue each month until the well is physically plugged and abandon. This report will be filed directly with the Royalty Management Program, Minerals Management Service, P.O. Box 17110, Denver, CO. 80217.

**Prickly Pear Unit #1215-11-2
Drilling Prognosis**

All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL-3A will be reported to the Price District Office. Major events will be reported verbally within twenty-four (24) hours and will be followed with a written report within fifteen (15) days, "Other than major events" will be reported in writing within fifteen days. "Minor events" will be reported on the *Monthly Report of Operations and Production* (Form #3160-6).

No well abandonment operations will be commenced without the prior approval of the Authorized Officer. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the District Petroleum Engineer. A *Notice of Intention to Abandon* (Form #3160-5) will be filed with the Authorized Officer within fifteen (15) days following the granting of oral approval to plug and abandon.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The following information will be permanently placed on the marker with a plate, cap, or beaded-on with a welder: Company Name and Number, Location by Quarter/Quarter, Section, Township, Range and Federal Lease Number.

A *Subsequent Report of Abandonment* (Form #3160-5) will be submitted within thirty (30) days following the actual plugging of the well bore. This report will indicate where plugs were placed and the current status of surface restoration operations. If surface restoration has not been completed at that time, a follow-up report on Form #3160-5 will be filed when all surface restoration work has been completed and the location is considered ready for final inspection.

Pursuant to NTL-4A, lessees and operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of thirty (30) days or the production of fifty (50) MMCF of gas, whichever occurs first. An application must be filed with the Authorized Officer, and approval received, for any venting /flaring of gas beyond the initial thirty (30) day or otherwise authorized test period.

Not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than ninety (90) days, the operator shall notify the Authorized Officer by letter or "Sundry Notice" of the date on which such production has begun or resumed. The notification shall provide as a minimum, the following information:

- A. Operator name, address, and telephone number.
- B. Well name and number.
- C. Well location " ¼, ¼, Section, Township, Range, P.M."
- D. Date well was placed on production.
- E. The nature of the well's production, i.e.: crude oil, casing gas, or natural gas and entrained liquid hydrocarbons.
- F. The OCS, Federal or Indian lease prefix and number on which the well is located. Otherwise, the non-federal or non-Indian land category. i.e.: state or private.

Within sixty (60) days following construction of a new tank battery, a site facility diagram of the battery showing actual conditions and piping must be submitted to the Authorized Officer. Facility diagrams shall be filed within sixty (60) days after existing facilities are modified. For complete information as to what is required on these diagrams, please refer to 43 CFR 3162.7-4 (d).

Page 8
Prickly Pear Unit #1215-11-2
Drilling Prognosis

Pursuant to *Onshore Oil & Gas Order Number 1*, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in such a manner which conforms with applicable Federal laws and regulations and with State and Local laws and regulations to the extent that such State and local laws are applicable to operations on Federal and Indian lands.

Date:

1/7/02

Prepared by:

④ Hagie Wilson Po-Eric Noblitt
Eric Noblitt, Agent
Wasatch Oil&Gas LLC

WASATCH OIL & GAS LLC

PRICKLY PEAR #1215-11-2

LOCATED IN CARBON COUNTY, UTAH

SECTION 11, T12S, R15E, S.L.B.&M.

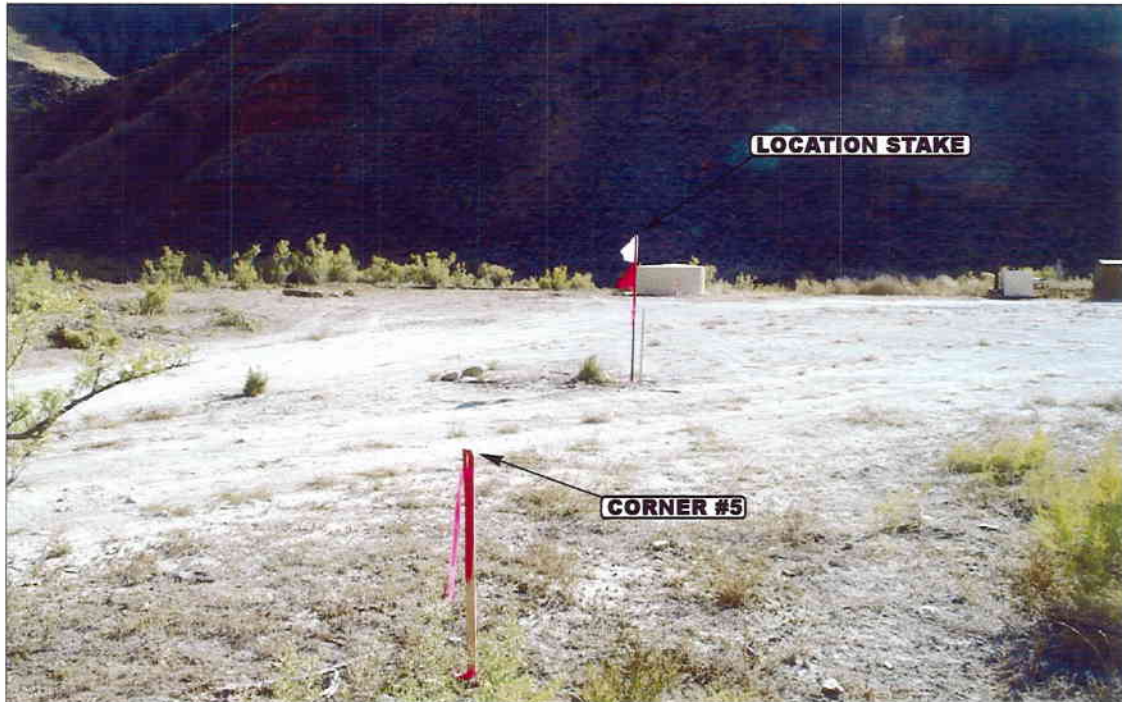


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHERLY



PHOTO: VIEW FROM BEGINNING OF EXISTING ACCESS

CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

11
MONTH

1
DAY

01
YEAR

PHOTO

TAKEN BY: B.B.

DRAWN BY: J.L.G.

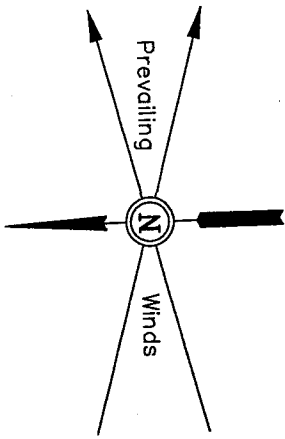
REVISED: 00-00-00

WASATCH OIL & GAS LLC.

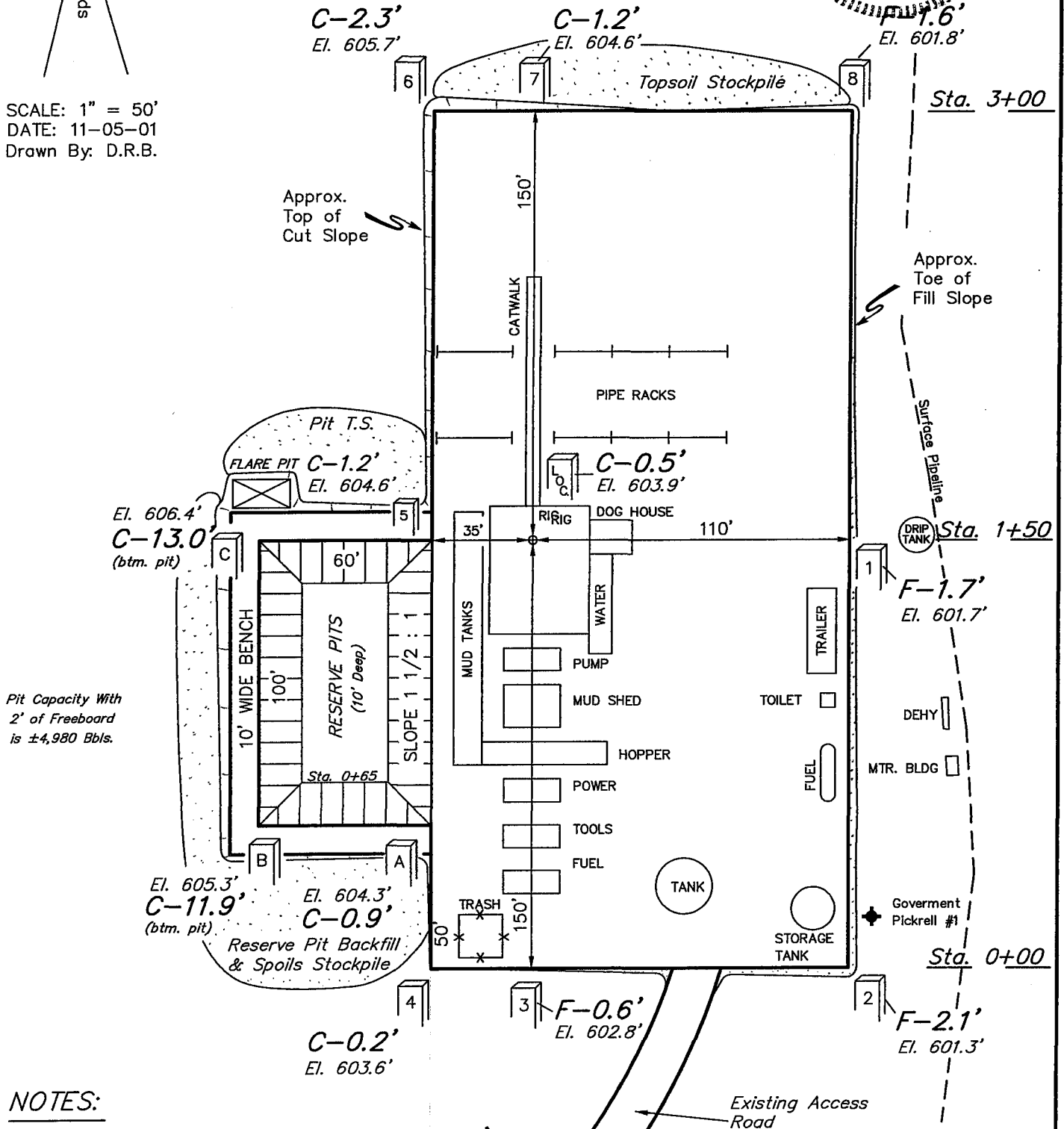
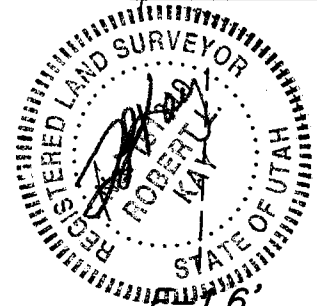
LOCATION LAYOUT FOR

PRICKLY PEAR #1215-11-2
SECTION 11, T12S, R15E, S.L.B.&M.
1424' FNL 2083' FWL

FIGURE #1



SCALE: 1" = 50'
DATE: 11-05-01
Drawn By: D.R.B.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5603.9'
FINISHED GRADE ELEV. AT LOC. STAKE = 5603.4'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

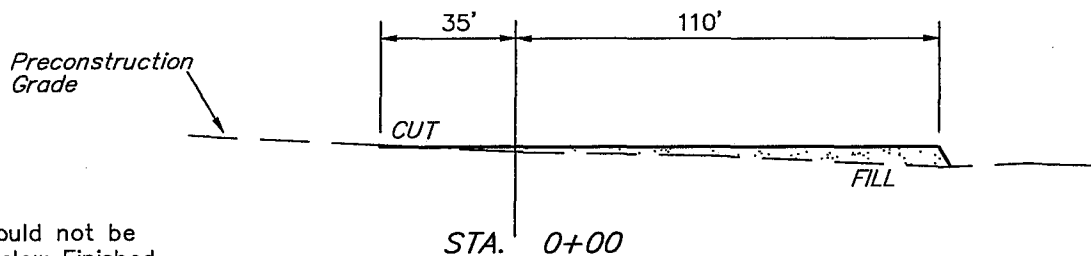
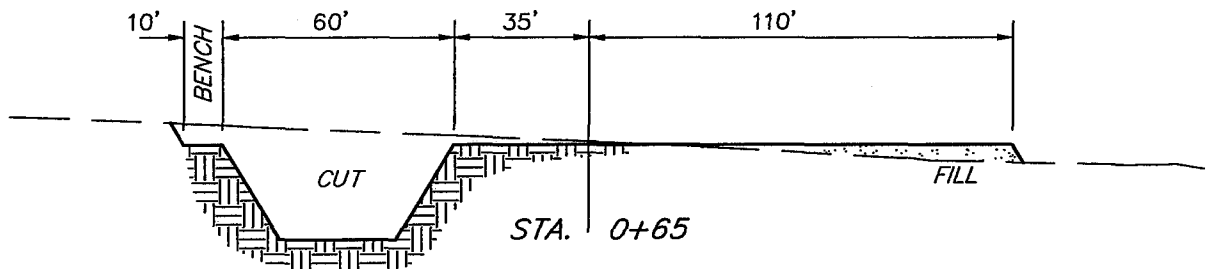
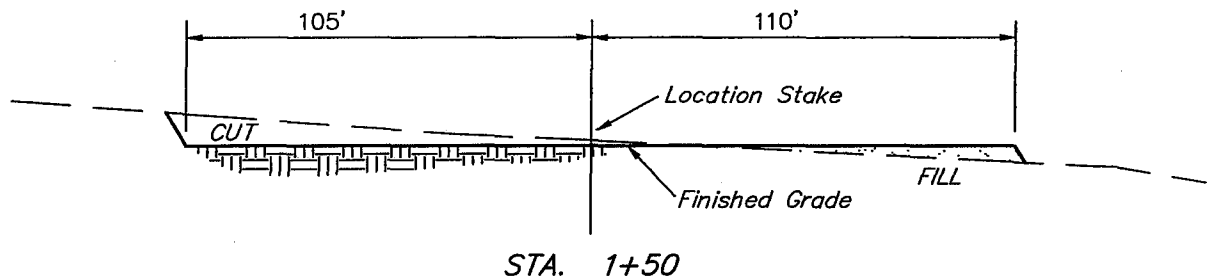
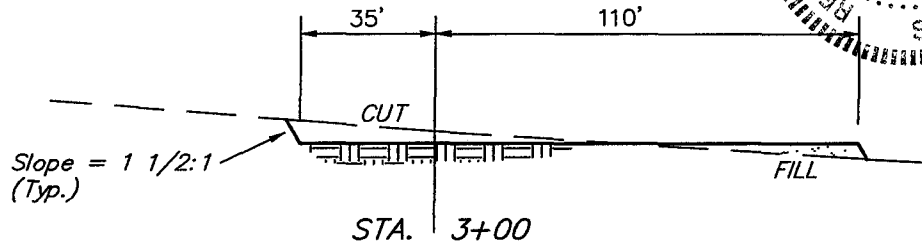
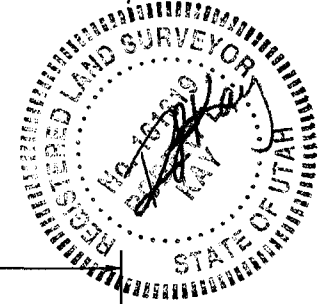
WASATCH OIL & GAS LLC.

FIGURE #2

TYPICAL CROSS SECTIONS FOR
PRICKLY PEAR #1215-11-2
SECTION 11, T12S, R15E, S.L.B.&M.
1424' FNL 2083' FWL

1" = 20'
X-Section
Scale
1" = 50'

DATE: 11-05-01
Drawn By: D.R.B.



NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

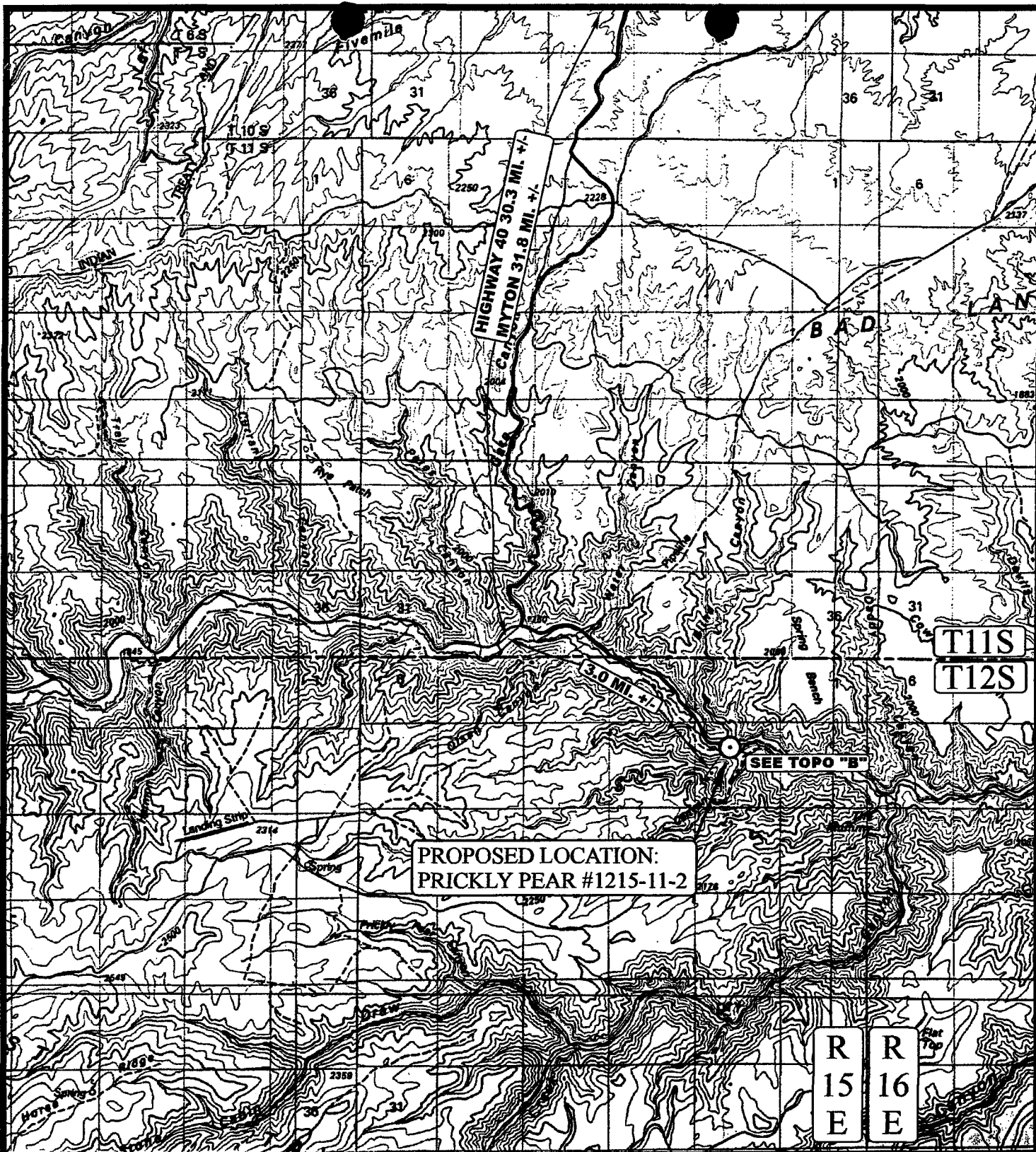
APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 960 Cu. Yds.
Remaining Location = 2,090 Cu. Yds.

TOTAL CUT = 3,050 CU.YDS.
FILL = 1,300 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION = 1,680 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = 1,680 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation) = 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017





LEGEND:

--- PROPOSED ACCESS ROAD
— EXISTING ROAD

WASATCH OIL & GAS LLC

PRICKLY PEAR #1215-11-2
SECTION 11, T12S, R15E, S.L.B.&M.
1424' FNL 2083' FWL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC
MAP

11 **1** **01**
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00

B
TOPO

002

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 01/14/2002

API NO. ASSIGNED: 43-007-30824

WELL NAME: PRICKLY PEAR 1215-11-2

OPERATOR: WASATCH OIL & GAS CORP (N4520)

CONTACT: HEGGIE WILSON, AGENT

PHONE NUMBER: 801-451-9200

PROPOSED LOCATION:

SENW 11 120S 150E

SURFACE: 1424 FNL 2083 FWL

NESEW BOTTOM: 1980 FSL 1980 FWL

CARBON

NINE MILE CYN (35)

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-013064

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. B7998)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit
(No. 4366)

☒ RDCC Review (Y/N)
(Date:)

☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING: ** Prickly Pear eff. 1-28-02*

R649-2-3. Unit ~~NINE MILE CANYON~~

R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

R649-3-3. Exception

Drilling Unit

Board Cause No: _____

Eff Date: _____

Siting: _____

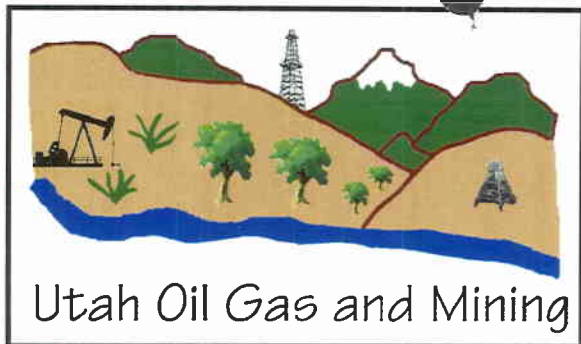
☒ R649-3-11. Directional Drill

COMMENTS:

Nine mile Canyon Unit, termination in progress.

STIPULATIONS:

1-Fed. Approval



OPERATOR: WASATCH O&G LLC (N4520)

SEC. 11, T12S, R15E

FIELD: NINE MILE CANYON (035)

COUNTY: CARBON UNIT: NINE MILE CANYON
SPACING: R649-3-11 (DIR DRL)





February 13, 2002

Ms. Lisha Cordova
State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

Re: Directional Drilling R649-3-11
Prickly Pear #1215-11-2: 1,424' FNL, 2,083' FWL (surface)
1,980' FSL, 1,980' FWL (bottomhole)
W/2; Sec. 11-T12S-R15E
Carbon County, Utah

Dear Ms. Cordova:

Pursuant to the filing of Wasatch Oil & Gas's Application for Permit to Drill regarding the above referenced well on January 11, 2002, we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to the Exception to Location and Siting of Wells.

- Wasatch Oil & Gas's Prickly Pear #1215-11-2 is located within the proposed Prickly Pear Unit Area.
- Wasatch Oil & Gas is permitting this well as a directional well in order to minimize surface disturbance. Locating the well at the surface location and directionally drilling from this location, Wasatch will be able to utilize the existing road and pipelines in the area.
- Furthermore, Wasatch Oil & Gas hereby certifies that it is the sole working interest owner within 460 feet of the entire directional well bore and the west one-half of the section (federal leases U-013064 and U-01519B).

Therefore, based on the above stated information Wasatch Oil & Gas, LLC requests the permit be granted pursuant to R649-3-11.

Respectfully Submitted,

R. Heggie Wilson
Agent

RECEIVED

FEB 14 2002

DIVISION OF
OIL, GAS AND MINING

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

February 1, 2002

Memorandum

To: Assistant District Manager Minerals, Moab District
From: Michael Coulthard, Petroleum Engineer
Subject: 2002 Plan of Development Prickly Pear Unit
Carbon County, Utah.

Pursuant to email between Lisha Cordova, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following well is planned for calendar year 2002 within the Prickly Pear Unit, Carbon County, Utah.

API #	WELL NAME	LOCATION
43-007-30824	Prickly Pear 1215-11-2	Sec 11, T12S, R15E 1424 FNL 2083 FNL (BHL) 1980 FSL 1980 FNL
43-007-30823	Prickly Pear 10-4	Sec 10, T12S, R14E 0075 FSL 0271 FEL
43-007-30825	Prickly Pear 13-4	Sec 13, T12S, R14E 1320 FSL 1347 FEL
43-007-30828	Prickly Pear 21-2	Sec 21, T12S, R15E 1620 FNL 1247 FNL
43-007-30829	Prickly Pear 27-3	Sec 27, T12S, R15E 1685 FSL 0691 FNL

* Nine mile Canyon Unit
termination in progress.
LC

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

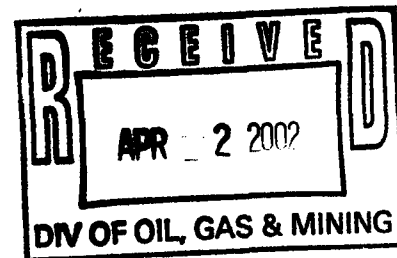
bcc: File - Prickly Pear Unit
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:2-1-02

FORM 3160-3
(December 1990)SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)Form approved,
Budget Bureau No. 1004-0136
Expires December 31, 1991UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. U-013084	
1b. TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Wasatch Oil & Gas, LLC		7. UNIT AGREEMENT NAME Prickly Pear	
3. ADDRESS OF OPERATOR P.O. Box 699, Farmington, UT. 84025-0699 Phone # (801)451-9200		8. FARM OR LEASE NAME Prickly Pear	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *) At Surface 1,424' fsl & 2,083' fwl (SE/4 NW/4) 4404737N 568025E At proposed Prod. Zone 1,980' fsl & 1,980' fwl (NE/4 SW/4), U-01519B 4404162N 567994E		9. WELL NO. #1215-11-2	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 34 miles south of Myton, Utah		10. FIELD AND POOL OR WILDCAT Prickly Pear Nine mile Cyn.	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660 south of lease line		11. SEC. T., R., M., OR BLK. AND SURVEY OR AREA Sec.11-T12S-R15E	
16. NO. OF ACRES IN LEASE 240		12. COUNTY OR PARISH Carbon	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160		13. STATE UT.	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. n/a		19. PROPOSED DEPTH 6,954' TVD 7,362' MD	
20. ROTARY OR CABLE TOOLS Rotary		21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5,804' GR	
22. APPROX. DATE WORK WILL START* 5/1/02		23. PROPOSED CASING AND CEMENTING PROGRAM	
SIZE OF HOLE 12-1/4"	SIZE OF CASING 8- 5/8"	WEIGHT/FOOT 32#	SETTING DEPTH 700'
7-7/8"	4-1/2"	11.6#	7,362'
QUANTITY OF CEMENT 300 sxs "G" & "Lite" 550 sxs 50/50 Poz			

Federal Approval of this
Action is Necessary

Operations hereunder will be conducted pursuant to a statewide bond filed with the Utah State Office of BLM, under UT-1128, Surety Bond No. B7998

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone.
If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED R. Heggie Wilson	TITLE Agent	DATE 4/2/02
(This space for Federal or State office use)		
PERMIT NO. 13-007-30824	APPROVAL DATE	
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject land which would enable the applicant to conduct operations thereon.		
CONDITIONS OF APPROVAL, IF ANY:		
APPROVED BY Bradley G. Hill	TITLE RECLAMATION SPECIALIST III	DATE 04-03-02

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

April 3, 2002

Wasatch Oil & Gas LLC
PO Box 699
Farmington UT 84025-0699

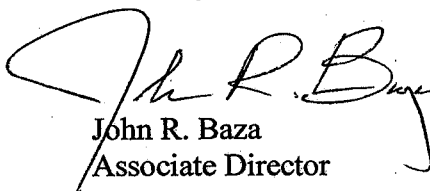
Re: Prickly Pear 1215-11-2 Well, Surface Location 1424' FNL, 2083' FWL, SE NW, Sec. 11,
T. 12 South, R. 15 East, Bottom Location 1980' FSL, 1980' FWL, NE SW, Sec. 11,
T. 12 South, R. 15 East, Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-30824.

Sincerely,



John R. Baza
Associate Director

er

Enclosures

cc: Carbon County Assessor
Bureau of Land Management, Moab District Office

Operator: Wasatch Oil & Gas LLC
Well Name & Number Prickly Pear 1215-11-2
API Number: 43-007-30824
Lease: U-013064

Surface Location: SE NW **Sec.** 11 **T.** 12 South **R.** 15 East
Bottom Location: NE SW **Sec.** 11 **T.** 12 South **R.** 15 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of

Bill Barrett Corporation

3a. Address

1099 18th Street, Suite 2300, Denver, CO 80202

3b. Phone No. (include area code)

303 293-9100

4. Location of Well (Footage, Sec., T, R., M., or Survey Description)

1,424' FNL and 2,083' FWL; SE¼NW¼, Section 11: T. 12 S., R. 15E.
Bottom Hole 1,980 FSL and 1,980 FWL; NE¼SW¼, Section 11:

5. Lease Serial No.

U-01519-B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

Prickly Pear

8. Well Name and No.

Prickly Pear 1215-11-2

9. API Well No.

43-007-30824

10. Field and Pool, or Exploratory Area

Nine Mile Canyon

11. County or Parish, State

Carbon / Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Change of Operator</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

3. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Please be advised that Bill Barrett Corporation has succeeded Wasatch Oil & Gas Corporation as Operator of the above described well effective April 1, 2002

Wasatch Oil & Gas Corporation


Todd Cusick, President April 30, 2002

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Dominc Bazile

Title

Vice President of Operations

Signature



Date

April 30, 2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature)

Name

(Printed/Typed)

Title

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Date

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on next page)

RECEIVED

MAY 06 2002

DIVISION OF
OIL, GAS AND MINING

BILL BARRETT CORPORATION

May 15, 2002

Mr. Jim Thompson
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

RE: Annual Waste Management Plan, Response Form, 2002 Report

Dear Jim,

Enclosed you will find *Call for Annual Waste Management Plans for Calendar Year 2002 – Response Form*.

Annual Waste Management Plan - 2002

Listed below are the facilities from which water will be hauled to the water disposal operation of RNI Disposal in Roosevelt. We anticipate disposing of all produced water with RNI from these facilities and any others. RNI is permitted and in good standing with the division.

Bill Barrett Corporation estimates that approximately 3,000 barrels of water will be produced from these facilities during 2002. This number may vary depending on rework and new drilling activities.

Wells

Government Pickrell
Stone Cabin #2-B-27
Peters Point #3A
Hunt Ranch #3-4

Legal Description

Located in Carbon County, Utah:

T12S, R15E, Section 11: SE/4NW/4
T12S, R15E, Section 27: SE/4NW/4
T13S, R17E, Section 8: SW/SE/4
T12S, R15E, Section 3: SE/4SE/4

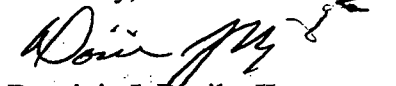
Compressor Stations

Main Compressor
Airport Compressor

T11S, R15E, Section 23
T12S, R16E, Section 27

Please contact the undersigned if you have any questions.

Sincerely,



Dominic J. Bazile, II
Vice President, Operations
Enclosure

RECEIVED

MAY 21 2002

**DIVISION OF
OIL, GAS AND MINING**

Call for Annual Waste Management Plans for Calendar Year 2002 – Response Form

In accordance with Rule R649-9-2.4 of the Utah Oil and Gas Conservation General Rules, the Utah Division of Oil, Gas and Mining requests that all oil and gas operators, who are active in Utah, inform the Division of their waste management plans for their Utah operations by returning this Response Form and, if a waste stream is anticipated during calendar year 2002, attaching an Annual Waste Management Plan.

Operator Name: Bill Barrett Corporation
Name and Title of Company Representative: Dominic J. Bazile II, Vice President, Operations
Date: May 15, 2002 Phone Number: 303 -293-9100

Three waste stream outcomes are defined below. Please select the one that fits your operational circumstances by placing an "X" on the underlined spaces in front of the selection:

1. No Exploration and Production (E&P) wastes of any kind are anticipated and an amended Waste Management Plan will be filed when and if E&P wastes are generated.
2. An E&P waste stream is probable but it is unlikely to include any produced water. We will file an amended Waste Management Plan when and if our operations generate any produced water. Attached please find our Annual Waste Management Plan (providing the information specified in Rule R649-9-2.4).
3. X Our E&P waste stream is likely to include produced water. We will probably dispose of our produced water in the approximate percentage(s) specified, using the disposition strategy(ies) selected, below:

100 % by Permitted Class II Water Disposal well(s).

 % by Permitted Class II Injection well(s) in a waterflood project.

 % by Permitted Commercial Evaporative Pit(s).

 % by Permitted Private, Non-commercial Evaporative Pit(s).

 % by Onsite (Surface) Pit(s).

 % by operations utilizing produced water for drilling, completion and workover activities.

 % by Permitted UPDES surface discharge

 % by Out of State Transfer to (specify in Annual Waste Management Plan).

 % by Other Means (specify in Annual Waste Management Plan).

100 % Total

and have attached the Annual Waste Management Plan to provide the information specified in Rule R649-9-2.4.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

IN REPLY REFER TO
UT-922

May 24, 2002

Bill Barrett Corporation
1099 18th Street, Suite 2300
Denver, Colorado 80202

Re: Prickly Pear Unit
Carbon County, Utah

Gentlemen:

On May 9, 2002, we received an indenture dated April 1, 2002, whereby Wasatch Oil & Gas, LLC resigned as Unit Operator and Bill Barrett Corporation was designated as Successor Unit Operator for the Prickly Pear Unit, Carbon County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective May 24, 2002. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Prickly Pear Unit Agreement.

Your statewide (Utah) oil and gas bond No. 1262 will be used to cover all operations within the Prickly Pear Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Moab (w/enclosure)
Division of Oil, Gas & Mining
SITLA
Minerals Adjudication Group U-932
File - Prickly Pear Unit (w/enclosure)
Agr. Sec. Chron
Fluid Chron

UT922:TAThompson:tt:5/24/02



May 23, 2002

Mr. Jim Thompson
State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

RECEIVED

MAY 24 2002

**DIVISION OF
OIL, GAS AND MINING**

Re: Transfer Title to Wasatch Oil & Gas, LLC.

Dear Mr. Thompson:


Pursuant to my April 24, 2002 letter and our recent conversation regarding the wells formally owned by Wasatch Oil & Gas LLC, please allow this letter to clarify that all the interest in the wells and well permits located in Carbon and Duchesne Counties previously owned by either Wasatch Oil & Gas Corporation or Wasatch Oil & Gas, LLC have been transferred to Bill Barrett Corporation effective April 1, 2002.

Effective July 1, 2000, Wasatch Oil & Gas Corporation attempted to transfer all their leasehold interest in State, Federal and Fee lands to Wasatch Oil & Gas, LLC. However, there was some apparent oversight in transferring the wells and units at the same time. Recently we made these transfers close to the same time Bill Barrett Corporation acquired the referenced wells.

Regardless of whether or not Wasatch Corp. or Wasatch LLC was shown as the operator of the wells on April 1, 2002, it is the intent that Bill Barrett Corporation is being transferred ownership.

Please do not hesitate to contact me if you have any further questions regarding this matter.

Sincerely,



R. Hegg Wilson

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 05/24/2002
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 05/06/2002
3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 05/28/2002
4. Is the new operator registered in the State of Utah: YES Business Number: 5113947-0143
5. If **NO**, the operator was contacted contacted on: N/A

6. (R649-9-2)Waste Management Plan has been received on: 05/21/2002

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: N/A

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: 05/24/2002

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 05/29/2002

2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 05/29/2002

3. Bond information entered in RBDMS on: N/A

4. Fee wells attached to bond in RBDMS on: N/A

STATE WELL(S) BOND VERIFICATION:

1. State well(s) covered by Bond Number: N/A

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: 1262

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: N/A

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number N/A

2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:

005

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NUMBER: U-013064
2. NAME OF OPERATOR: BILL BARRETT CORPORATION		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
3. ADDRESS OF OPERATOR: 1099 18th St Ste 2300 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: Prickly Pear Unit
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1424' FNL x 2083' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 11 12S 15E		8. WELL NAME and NUMBER: Prickly Pear Ut Fed 1215-11-2
PHONE NUMBER: (303) 312-8120		9. API NUMBER: 4300730824
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT: Nine Mile Canyon
STATE: UTAH		

CONFIDENTIAL

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

BILL BARRETT CORPORATION REQUESTS APPROVAL TO MAKE THE FOLLOWING CHANGE REGARDING THIS PROPOSED WELL. THE ORIGINAL APD FOR THIS WELL SUBMITTED BY WASATCH OIL & GAS, LLC SPECIFIES A 5000# BOP SYSTEM. BBC REQUESTS THAT A 3000 PSI BOP BE USED IN A 3000 PSI CONFIGURATION BASED ON THE FOLLOWING CALCULATIONS USING A MAXIMUM 10,000' TOTAL DEPTH:

(TOTAL DEPTH 10,000')

BHP ESTIMATE: $10,000 \times .33 \text{ PSI/FT} = 3300 \text{ PSI AT BH DEPTH}$

MASP ESTIMATE: REDUCE BHP BY PARTIALLY EVACUATED PIPE

 $3300 - (.22 \text{ PSI/FT} \times 10,000) = 1100 \text{ PSI}$

A 3000# BOP SCHEMATIC IS ATTACHED

COPY SENT TO OPERATOR

Date: 05-23-03

Initials: CHD

RECEIVED**MAY 16 2003**

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Debra K. Stanberry

TITLE Permit Specialist

SIGNATURE

DATE 5/14/2003

(This space for State use only)

**Accepted by the
Utah Division of
Oil, Gas and Mining**

**Federal Approval Of This
Action Is Necessary**

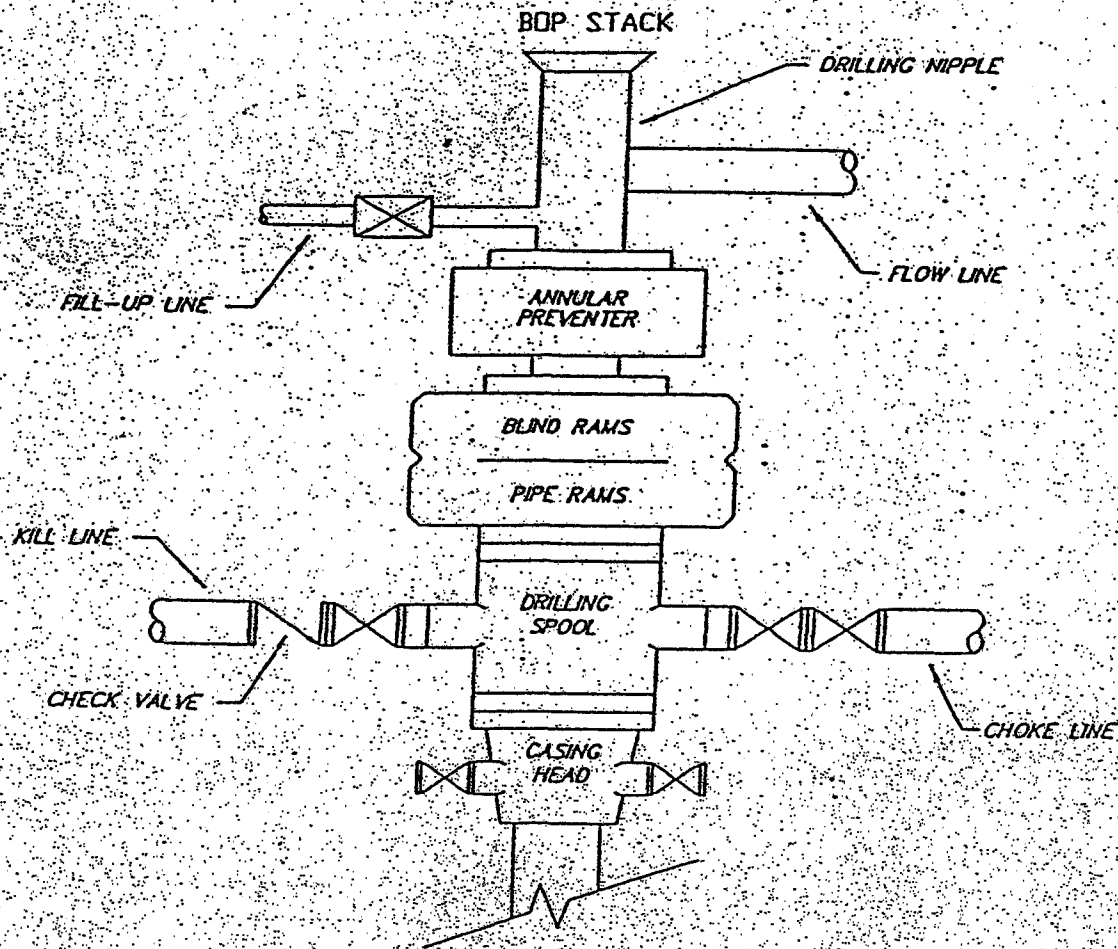
(5/2000)

Date: 5/23/03

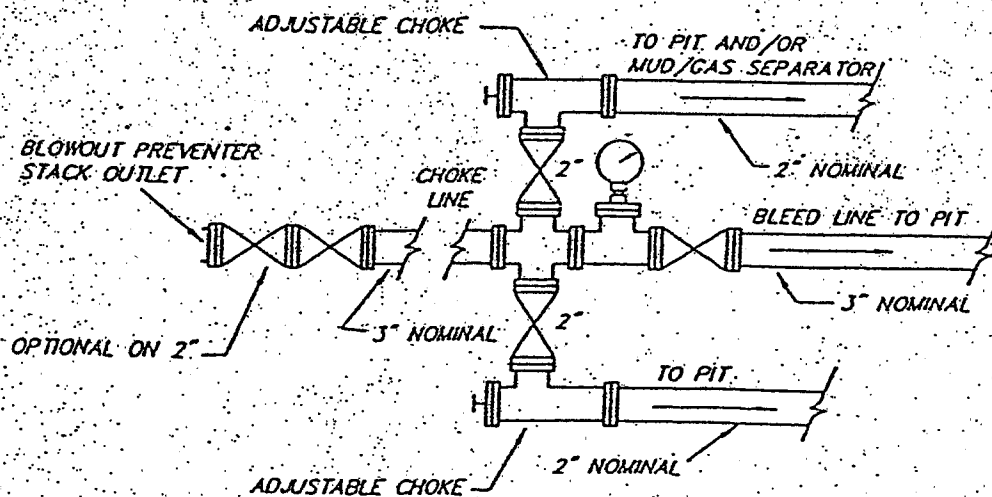
(See Instructions on Reverse Side)

By: David R. Dunt

TYPICAL 3,000 p.s.i. BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i. CHOKER MANIFOLD SCHEMATIC



006

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: U-013064
2. NAME OF OPERATOR: BILL BARRETT CORPORATION		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
3. ADDRESS OF OPERATOR: 1099 18th St Ste 2300 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: Prickly Pear Unit
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1424' FNL x 2083' FWL		8. WELL NAME and NUMBER: Prickly Pear Ut Fed 1215-11-2
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 11 12S 15E		9. API NUMBER: 4300730824
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT: Nine Mile Canyon
STATE: UTAH		

CONFIDENTIAL

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>renew APD</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

BILL BARRETT CORPORATION UNDERSTANDS THAT THE APPROVED STATE APD FOR THIS WELL EXPIRED APRIL 3, 2003. BILL BARRETT CORPORATION RESPECTFULLY REQUESTS AN EXTENSION FOR THIS WELL FOR THE MAXIMUM TIME POSSIBLE.

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: 05-21-03

By: *[Signature]***RECEIVED****MAY 16 2003**

DIV. OF OIL, GAS & MINING

COPY SENT TO OPERATOR

Date: 5-23-03

Initials: *[Signature]*

NAME (PLEASE PRINT) Debra K. Stanberry

TITLE Permit Specialist

SIGNATURE *[Signature]*

DATE 5/14/2003

(This space for State use only)

RESET

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-007-30824
Well Name: PRICKLY PEAR UNIT FEDERAL 1215-11-2
Location: SHL: SE/4 NW/4 Sec 11-T12S-R15E, Carbon County
Company Permit Issued to: Wasatch Oil & Gas LLC
Date Original Permit Issued: 4/3/2002

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐ n/a surface owned by U. S. Government
c/o Bureau of Land Management

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

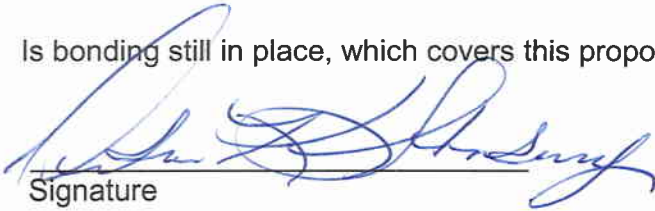
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

5/12/2003

Date

Title: Permit Specialist

Representing: Bill Barrett Corporation



Bill Barrett Corporation

RECEIVED
MOAB FIELD OFFICE

2003 JUN 20 A 11: 37

DEPT OF THE INTERIOR
BUREAU OF LAND MGMT

June 18, 2003

Bureau of Land Management
Moab Field Office
82 East Dogwood
Moab, Utah 84532

ATTENTION: Ms. Marie McGann

Dear Ms. McGann:

I appreciate you faxing the information yesterday on the outstanding Applications for Permit to Drill on the seventeen wells currently in your office. After evaluation, Bill Barrett Corporation asks that the following ten (10) APDs be cancelled at this time:

UTU 162045 Burruss Federal #1-10 ✓	NESW Section 10-T12S-R17E	43-007-30394
UTU 165486 Federal #1-19	SENE Section 19-T12S-R16E	43-007-30471 <i>LA already</i>
UTU 165776 Henzel Federal #1-29 ✓	NWNE Section 29-T12S-R15E	43-007-30470
UTU 165486 Iron Mesa Federal #19-14	SESW Section 19-T12S-R16E	43-007-30523 <i>LA already</i>
UTU 77059 Prickly Pear Federal #25-02 ✓	NWNE Section 25-T12S-R14E	43-007-30524
UTU 77054 South Ridge Federal #29-11 ✓	NESW Section 29-T12S-R15E	43-007-30525
UTU 165776 Plateau Federal #30-02 ✓	NWNE Section 30-T12S-R15E	43-007-30526
UTU 74397 Federal #30-07R	SWNE Section 30-T12S-R16E	<i>Dont have</i>
UTU 77059 South Ridge Federal #30-15 ✓	NWSE Section 30-T12S-R15E	43-007-30527
UTU 74397 Federal #31-04R	NWNW Section 31-T12S-R16E	<i>Dont have</i>

If you have any questions or need additional information, please contact me at (303) 312-8120.

Sincerely,

Debra K. Stanberry
Permit Specialist

1099 18TH STREET
SUITE 2300
DENVER, CO 80202
P 303.293.9100
F 303.291.0420



RECEIVED
MOAB FIELD OFFICE

2003 JUN 23 P 1:21

DEPT OF THE INTERIOR
BUREAU OF LAND MGMT

June 19, 2003

Bureau of Land Management
Moab Field Office
82 East Dogwood
Moab, Utah 84532

ATTENTION: Ms. Marie McGann

Dear Ms. McGann:

Upon further evaluation, Bill Barrett Corporation requests that the following two (2) APDs be cancelled at this time:

UTU 013064	Prickly Pear Unit Federal 1215-11-2	SENW Sec 11-T12S-R15E	43-007-30824
UTU 013064	Jack Canyon Unit Federal 19-2	SENW Sec 19-T12S-R16E	43-007-30827

If you have any questions or need additional information, please contact me at (303) 312-8120.

Sincerely,

Debra K. Stanberry
Permit Specialist

1099 18TH STREET
SUITE 2300
DENVER, CO 80202
P 303.293.9100
F 303.291.0420

007



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab Field Office
82 East Dogwood Avenue
Moab, UT 84532

3162
(UT-062)

Ms. Debra Stanberry
Bill Barrett Corporation
1099 18th Street, Suite 2300
Denver, Colorado 80202

JUN 26 2003

Re: Return of Applications for Permit to Drill

Lease UTU013064

✓ Well No. Prickly Pear 1215-11-2 43-007-30824

Lease UTU62645

✓ Well No. Burruss 1-10

Lease UTU65486

Well Nos. Federal 1-19, Jack Canyon 19-2 and Iron Mesa 19-14

Lease UTU65776

✓ Well Nos. Henzel 1-29, Plateau 30-02 and South Ridge 30-15

Lease UTU72054

✓ Well No. South Ridge 29-11

Lease UTU74397

Well Nos. Federal 30-07R and Federal 31-04R

Lease UTU77059

✓ Well No. Prickly Pear 25-02

Dear Ms. Stanberry:

We have received your letters dated June 18 and 19, 2003, requesting the cancellation of each of the above referenced Applications for Permit to Drill (APDs). As indicated in your letters, Bill Barrett Corporation has evaluated each of the outstanding applications on file in the BLM Moab Field Office and has determined that the above referenced APDs should not be processed further.

In view of the foregoing, we are returning the above APDs to you. Should Bill Barrett Corporation intend to drill these locations at a future date, new applications must be submitted. If you have any questions, please contact Marie McGann at 435-259-2135.

Sincerely,

William Springer

Assistant Field Manager
Division of Resources

RECEIVED

JUN 30 2003

DIV. OF OIL, GAS & MINING

Enclosure

Applications for Permit to Drill

cc: UT-070, Price Field Office (wo/Enclosure)

State of Utah, Division of Oil, Gas and Mining (Diana Mason) (wo/Enclosure)

MMcGann:mm:6/25/03



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 telephone

(801) 359-3940 fax

(801) 538-7223 TTY

www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

July 1, 2003

Ms. Debra Stanberry
Bill Barrett Corporation
1099 18th Street, Suite 2300
Denver, Colorado 80202

Re: APD Rescinded -- Prickly Pear 1215-11-2 Sec. 11, T.12S, R. 15E
Carbon County, Utah API No. 43-007-30824

Dear Ms. Stanberry:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on April 3, 2002. On May 21, 2003, the Division granted a one-year APD extension. On June 30, 2003 the Division received a letter from the Bureau of Land Management (BLM), which states that the permit filed with the BLM was being returned. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective June 30, 2003.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Engineering Technician

cc: Well File
Bureau of Land Management, Moab



Bill Barrett Corporation

June 27, 2003

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

ATTENTION: Ms. Diana Mason

Dear Ms. Mason:

Upon further evaluation, Bill Barrett Corporation requests that the following eleven (11) APDs be cancelled at this time:

Prickly Pear Unit Federal 12-15-11-2	SENE Sec 11-T12S-R15E	43-007-30824
Jack Canyon Unit Federal 19-2	SENE Sec 19-T12S-R16E	43-007-30827
Burruss Federal #1-10	NESW Sec 10-T12S-R17E	43-007-30394
Federal #1-19	SENE Sec 19-T12S-R16E	43-007-30471
Henzel Federal #1-29	NWNE Sec 29-T12S-R15E	43-007-30470
Iron Mesa Federal #19-14	SESW Sec 19-T12S-R16E	43-007-30523
Prickly Pear Federal #25-02	NWNE Sec 25-T12S-R14E	43-007-30524
South Ridge Federal #29-11	NESW Sec 29-T12S-R15E	43-007-30525
Plateau Federal #30-02	NWNE Sec 30-T12S-R15E	43-007-30526
South Ridge Federal #30-15	NWSE Sec 30-T12S-R15E	43-007-30527
Hunt Ranch #3-2	NWNW Sec 3-T12S-R15E	43-007-30780

The records from Wasatch Oil and Gas reflected two more wells in progress, the Federal 30-07R and Federal 31-04R. If you have any paperwork pending in your office on these two wells, please also cancel these wells at this time.

If you have any questions or need additional information, please contact me at (303) 312-8120.

Sincerely,

Debra K. Stanberry
Permit Specialist

RECEIVED

JUL 02 2003

DIV. OF OIL, GAS & MINING 1099 18TH STREET
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DENVER, CO 80202
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